



**Growth Energy™**  
Expanding America's Bioeconomy

February 12, 2024

Honorable George Muñoz  
Chair  
Senate Finance Committee  
411 S Capitol Street  
Santa Fe, New Mexico 87501

RE: House Bill 41

Dear Chair Muñoz:

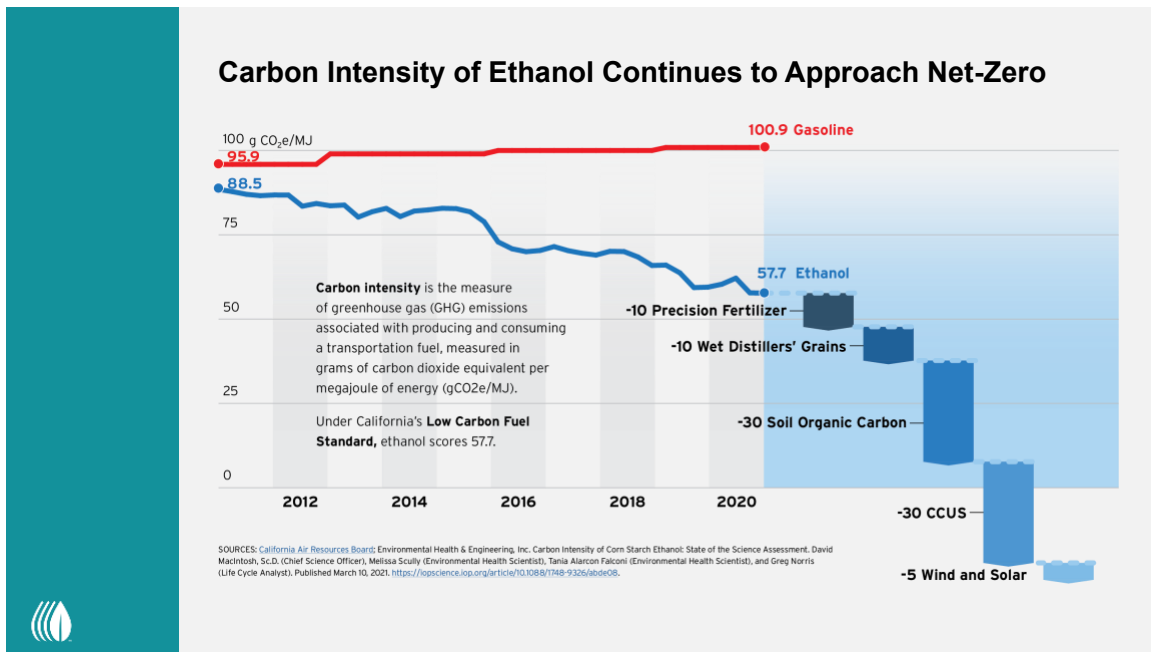
We appreciate the opportunity to provide comments on House Bill 41, which will establish a clean transportation fuel standard for New Mexico. Growth Energy is the world's largest association of biofuel producers, representing 96 U.S. plants that each year produce 9 billion gallons of renewable fuel; 115 businesses associated with the production process; and tens of thousands of biofuel supporters around the country. Together, we are working to bring better and more affordable choices at the fuel pump to consumers, improve air quality, and protect the environment for future generations. We remain committed to helping our country diversify our energy portfolio, grow more green energy jobs, decarbonize our nation's energy mix, sustain family farms, and drive down the costs of transportation fuels for consumers.

Growth Energy strongly advocates for the role low carbon biofuels and higher biofuel blends can play in New Mexico's efforts to reduce the carbon intensity of transportation fuels. We urge members of the Senate Finance Committee to consider the ability of bioethanol to help New Mexico fuel standard's goal of reducing greenhouse gas (GHG) emissions. A primary solution for decarbonizing the liquid transportation fuel supply is the promotion of the additional use of bioethanol. Bioethanol already has a proven record of success in California's Low Carbon Fuel Standard (LCFS), such that in 2020, bioethanol was the largest LCFS volume and second-largest credit generator.

Today, nearly all gasoline in New Mexico – and across the United States – is blended with 10 percent ethanol. E15, a blend consisting of 15 percent bioethanol, has been approved for use by the U.S. Environmental Protection Agency (EPA) in all passenger vehicles model year 2001 and newer, more than 96 percent of the vehicles on the road today, and is now for sale at 3,400 locations in 31 states, including 21 locations in New Mexico.

According to recent data from Environmental Health and Engineering, today's bioethanol reduces GHG by nearly 50 percent compared to gasoline and can provide even further GHG

reductions with additional readily available technologies.<sup>1</sup> Ethanol has a proven history of contributing to GHG reductions in an existing low carbon fuel standard (LCFS): according to the Transportation Energy Institute, ethanol is responsible for 31% of GHG reductions in California’s LCFS, the largest percentage among fuel sources.<sup>2</sup>



The potential for fuels with higher blends of ethanol to reduce GHGs are further illustrated in a national analysis showing more than 146,000 tons in GHG reduction in New Mexico alone if E10 gasoline was replaced with E15.<sup>3</sup> This is the GHG reduction equivalent of removing 32,000 vehicles from New Mexico’s fleet just by using a higher ethanol-blend fuel. These emissions reductions come with meaningful consumer cost-savings. During the summer of 2023, E15 was sold at 15 cents less per gallon where available on average nationwide. In some locations, we saw E15 selling consistently for as much as 60 cents less per gallon than E10.

Bioethanol’s other environmental benefits are also noteworthy. As has been researched by the University of California, Riverside and the University of Illinois at Chicago, the use of more bioethanol and bioethanol-blended fuel reduces harmful particulates and air toxics such as carbon monoxide, and benzene.<sup>4</sup>

<sup>1</sup> <https://iopscience.iop.org/article/10.1088/1748-9326/abde08/pdf>

<sup>2</sup> [https://www.transportationenergy.org/wp-content/uploads/2023/07/Decarbonizing-Combustion-Vehicles\\_FINAL.pdf](https://www.transportationenergy.org/wp-content/uploads/2023/07/Decarbonizing-Combustion-Vehicles_FINAL.pdf)

<sup>3</sup> <http://www.airimprovement.com/reports/national-e15-analysis-final.pdf>

<sup>4</sup> University of California Riverside: [Comparison of Exhaust Emissions Between E10 CaRFG and Splash Blended E15](#) and <https://fixourfuel.com/wp-content/uploads/2018/04/UC-Riverside-Study.pdf>

Regarding HB 41, the definition of “fuel lifecycle” to include “all stages of fuel and feedstock production and distribution, feedstock generation or extraction through the distribution, delivery and use of the finished fuel by the consumer, including consideration of storage, transportation and combustion” is encouraging, as the entirety of any and all feedstocks’ lifecycle should be assessed and calculated equitably. Additionally, we applaud the bill’s commitment to technology neutrality within the standard.

With respect to the program’s measurement of carbon intensity, we strongly urge the use of the Greenhouse gases, Regulated Emissions, and Energy use in Technologies (GREET) model developed by the U.S. Department of Energy’s Argonne National Laboratory. GREET is the most accurate and up-to-date lifecycle analysis of GHG emissions for transportation fuels.

Growth Energy also strongly supports the appropriate crediting of on-the-farm field practices in a clean fuel standard. There has been a wealth of data including a recent study done by Argonne National Laboratory that show the possibility of a 35 percent reduction in carbon intensity through adoption of current best on-farm practices such as cover crops, no till, low carbon fertilizer use, and other innovations.<sup>5</sup> Allowing appropriate credit will help bioethanol producers continue to further innovate and lower their carbon intensity, while providing key incentives for farmers to adopt these effective conservation practices.

The consideration of biofuels, particularly bioethanol, is a crucial component to a clean fuel standard, one which can have an immediate impact on carbon emissions reductions as future decarbonization technologies are developed. We hope the committee recognizes the role bioethanol can play in reducing GHGs, providing a more cost-effective option for consumers, and help New Mexico meet its ambitious decarbonization goals. Thank you and we look forward to any questions you may have.

Sincerely



Chris Bliley  
Senior Vice President of Regulatory Affairs  
Growth Energy

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<sup>5</sup> Argonne National Laboratory: <https://www.anl.gov/article/argonnes-pivotal-research-discovers-practices-technologies-key-to-sustainable-farming>